

The complaint

Mr W complains that Barclays Bank PLC won't refund the full amount of money he lost to a scam.

What happened

Mr W complains that on 29 March 2019 and 04 April 2019 he sent two payments of £50,000 to what he thought was a legitimate investment.

Mr W says there were some issues with the investment and the returns stopped, at this point he says he realised it was a scam.

Barclays looked into the complaint but didn't uphold it. Barclays didn't agree it had done anything wrong by making the payments. Barclays also thought it was more of a civil dispute than a scam. As Mr W didn't agree with the outcome, he brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator found Mr W paid a legitimate company at the time and Barclays had no reasonable prospect of recovering the money.

Mr W didn't agree with the Investigator's view. So, the complaint has been passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I've decided to not uphold this complaint for materially the same reasons as our Investigator.

I'm sorry Mr W lost money but this doesn't automatically entitle him to a refund from Barclays. It would only be fair for me to tell Barclays to reimburse Mr W if I thought it reasonably ought to have prevented the payments, or it unreasonably hindered recovery of the funds.

Prevention

Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. These are predicated on there having been a fraud or scam. So, a first consideration in determining Barclays obligations here would normally be: was Mr W scammed as he alleges?

Here though, I don't think the answer to this question makes a difference to the fair outcome to this complaint. Although the payments in question are of a value that I think should've triggered Barclays's automatic fraud prevention systems, I can see from the information the bank has given us that Mr W was asked some questions about both payments when he made them in a Barclays branch.

Although the notes are limited regarding the type and complexity of what was asked in the branch, for completeness I've still gone on to think about whether an appropriate intervention or further questions would likely have made a difference to Mr W making the payments.

Ultimately, I don't think any intervention by Barclays would have made a difference or prevented the payments. I say this because when Mr W made each of the two payments, he was led to believe he was investing in legitimate companies and products. I'm not aware of any information Barclays could or should have known at the time from which it ought to have been concerned Mr W was being scammed.

Barclays could (and may have according to the notes) have given Mr W general fraud and scam advice in relation to investing in particular. But ultimately, I don't think I can fairly say it would have been able to give Mr W any information that would have led him to doubt what he already knew about what he was doing, including if he had undertaken further reasonable research at the time. So, even if Mr W had been questioned in more detail about the investment by Barclays, I don't think it would have highlighted anything that would have caused concern or led Barclays to believe Mr W was at risk of financial harm from a fraud or scam.

After all, Mr W says he was recommended the investments through his financial advisor, had what looks like legitimate paperwork and it appears that at the very start the investment was providing returns in line with what Mr W had been led to believe it would. It is clear all of this added to Mr W's confidence in it being a legitimate investment at the point where the payments were made. The notes from when Mr W spoke to someone at Barclays whilst making the payments also confirm what Mr W has told us, that both investments were recommended by his financial advisor.

So, even if Barclays did intervene further (and I can't be sure to what level it did at the time) and tell Mr W to conduct further checks on his investment, I'm not persuaded he would have found any negative information. Barclays role at the time of making the payments was also to satisfy itself that Mr W wasn't at risk of financial harm, not to provide financial advice.

As the payments pre-date the contingent Reimbursement Model (CRM) code, the code isn't a consideration in the circumstances of this complaint.

In relation to any recovery attempt, the two companies involved were in administration at the point Mr W raised the scam claim, so I'm satisfied Barclays had no reasonable prospect of recovering the money.

I realise this means Mr W is out of pocket - and I'm sorry he lost this money. But I think this was ultimately caused by the investment companies here and not Barclays. I can't reasonably ask Barclays to reimburse Mr W in circumstances where I don't think it ought reasonably to have prevented the payments or recovered them.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 June 2025.

Tom Wagstaff
Ombudsman